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## REPORT

CD NO.

50X1-HUM

COUNTRY China

SUBJECT Economic - Customs policy, administration

HOW  
PUBLISHED Daily newspaper

WHERE  
PUBLISHED New York

DATE  
PUBLISHED 16 Mar 1950

LANGUAGE Chinese

DATE OF INFORMATION 1950

DATE DIST. 26 Apr 1950

NO. OF PAGES 3

SUPPLEMENT TO  
REPORT NO.

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SOURCE           Hua-ch'iao Jih-pao.

ANNOUNCES NEW CUSTOMS POLICY,  
SPECIAL COMMISSION TO DRAFT TARIFF CODES

Peiping, 7 March (Hsin-hua) -- The full text of the new Tariff Policy and Determination of Functions of the Maritime Customs Administration, which was adopted by the Administration Council of the Central People's government at its 17th administrative session on 27 January 1950, is as follows:

The Administration Council of the Central People's government is convinced that under existing conditions, the national control of the customs and the exercise of national supervision and regulation of foreign trade should play an important part in the rehabilitation and development of the economy of the Chinese people. The Maritime Customs Tariff Code must protect national production, and domestic products against the competition of foreign articles of commerce. The Customs Administration of the Central People's government must be a unified, centralized, autonomous, national agency.

The Maritime Customs Administration is responsible for the actual supervision and control of the importation and exportation of all kinds of goods and money as a commodity, for collecting customs duties, for combating smuggling, and thereby protecting our country from economic aggression by imperialistic nations. All functions not having direct connection with the customs, such as harbor control, dredging of river channels, construction of aids to navigation and coastal defense should be detached from the customs and transferred to other suitable government agencies.

To implement the aforesaid customs policies and organize the functions of the customs, the administration has made the following decisions:

1. The present tentative regulations of the Maritime Customs Administration are hereby approved.

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2. The following extraneous functions, services, etc. are hereby detached from the customs service:

a. Those pertaining to the control of seas, harbors, rivers, light-houses, buoys, meteorological service, and other aids to navigation, and together with them, all the personnel and property pertaining thereto, are transferred to the Ministry of Communications of the Central People's government or to the respective municipal harbor offices.

b. Those pertaining to coastal defense, and all the ships pertaining thereto, are transferred to the Ministry of Public Security, with the exception of such small cutters and launches as are required by the customs Administration for the performance of its proper functions and the suppression of smuggling. The Customs Administration, Ministry of Communications, and Ministry of Public Security are jointly responsible for holding mutual consultations concerning the procedure and date of the above-mentioned transfers of functions, personnel, and property.

3. Previous to the adoption and implementation of the new Customs Tariff Code, the Customs Administration is authorized to enforce temporarily, with respect to imports, the Import Tariff Code of 1948, and with respect to exports, the Export Tariff Code of 1934 as revised and amended in 1945. However, modifications with respect to certain items therein must be passed upon by the Administration Council of the Central People's government.

4. It is imperative to enact a new Import Tariff Code and Export Tariff Code of the Maritime Customs Administration of the People's Republic of China. A special commission under the Finance and Economic Commission of the Administration Council of the Central People's government will be created to frame the new Customs Tariff Codes. The chairman of this special commission shall be appointed by the Finance and Economic Commission; the other members shall consist of one representative from each of the following agencies of the central government: the Ministries of Finance, Heavy Industry, Fuels Industry, Textile Industry, Light Industry, Railroads, Agriculture, Communications, Food Industry, Posts and Telegraph, and of the Maritime Customs Administration. The Finance and Economic Commission of the Administration Council shall approve the composition of the special commission.

To expedite and facilitate the work of the special commission, the chairman is empowered to requisition the services of specialists from any of the constituent agencies to take part in framing the new Tariff Codes. This special commission must finish its work before 1 August 1950.

5. In framing the Customs Tariff Codes, the commission shall be guided by the following principles:

a. In the case of articles which are domestically produced, now or potentially, in large volume, the tariff duties should be greater than the difference in cost of foreign and domestically produced articles, to protect the domestic production.

b. In the case of luxuries and articles which are not necessities, a still higher tariff rate should be levied.

c. The tariff rates on nonconsumer goods, such as machinery and apparatus which cannot be produced domestically, or produced only in small and insufficient quantities, including industrial raw materials, agricultural machinery, foodstuffs and seeds, fertilizers, etc., should be small or reduced to the point of exemption.

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d. The duty should be reduced to very low rates or entirely remitted on necessary scientific publications and such books as deal with the prevention and control of agricultural pests and diseases, as well as on such medical drugs, or substitutes therefor, which cannot be produced within our country.

e. There should be two schedules in the Import Tariff Code; one should consist of the ordinary rates and should apply to countries with which the People's Republic of China has trade treaties or conventions; the other schedule should consist of comparatively higher rates and should apply to countries with which the People's Republic of China has no trade treaties or conventions.

f. To promote production for export, the export tariff code rates should be very low, or the export duty be remitted entirely, on unfinished articles or semiprocessed materials whose exportation is encouraged by the Central People's government.

6. It is necessary to determine the organization and regulations of the Maritime Customs Administration, the limits of its authority, and its duties and responsibilities. The draft of the organic regulations of the Maritime Customs Administration shall be submitted to the Administration Council of the Central People's government for approval before 1 July 1950.

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